

TIVERTON WASTEWATER DISTRICT

TREASURER'S REPORT

September 15, 2014

Cash Position & Projection:

- 1.) \$100K currently paid by Town to TWD and the final \$75K (approximate) to be paid by Town to TWD on or about 9/15/14, per Resolution of Town Council;
- 2.) I have taken a stab at our first cash flow projection which is in an Excel file. I forwarded the first schedule to the board and staff on 9/12/14. This will be updated periodically as we go forward;
- 3.) Treasurer and General Manager will have to meet with the Chairman at Bay Coast Bank in order to set up Treasurer and General Manager as signers on checks and in order for the General Manager to access our account on-line.

Accounting:

I will discuss how we will have financial statements prepared, by whom, at what frequency, and at what cost with the Chairman, General Manager, and Abrahams Group (CPA), and keep the board and staff informed of status.

Community Development Block Grant Funds:

The Town Council resolution of July 2014 states that all CDBG funds awarded for sewer work be transferred to TWD upon written consent of the State of Rhode Island. I have asked the Town Administrator to request state consent directly from the state or through Church Community Housing. He said he will do so.

The Town Treasurer informed me that the 2011 grant funds have been spent.

A summary of unspent funds is as follows:

2012 – \$100,000 – Shove, Hooper, & State

2013 - \$ 83,652 – Hooper

2014 - \$ 85,000 – Hooper & Shove

Total - \$268,652

The grants specify that the funds shall be utilized in a relatively short period of time. Once the funds are transferred to TWD, we should write a letter to the state informing them of what our plan is and ask for approval for an extension of time. We will also have to figure out how we will finance the “up front” money for any and all of the projects and how Town “in-kind” services and materials such as paving and DPW equipment will be figured into the projects. I will investigate the possibility of obtaining interim low cost loans for the initial funds required.

Pension Plan:

I met with Mr. John Aanensen of Integrated Financial Services on 9/11/14, to discuss options for John Lincourt's pension. Mr. Aanensen suggested either a 401(a) or a 457. Both are written for governmental employees, which TWD qualifies for. The 401(a) has a one-time \$300 fee to set up and a \$375 annual fee to establish a vesting schedule. The 457 has no fees and is the plan Mr. Aanensen recommends. I agree with him after making my own complex comparison chart of the two types of plans. He is willing to meet with us any time we wish.

I have given Mr. Robert S. Karam of Karam Financial Group the basic information of our needs, have talked with him on the telephone and have e-mailed him a few times requesting to set a meeting date. He appears very interested but has not responded to a meeting date yet. I will give him a couple more tries and assuming no response I suggest moving on with Integrated Financial Services.

I have asked Mr. Zack Paul of the state retirement system the impact of John Lincourt's employment transfer from the Town to TWD prior to or after his anniversary hire date of October 12, on a couple of occasions. I have not had a response.

Paul B. Northrup
Treasurer